

# EXHIBIT D



THE  
POINTE  
GROUP  
HEALTHCARE &  
SENIOR LIVING

## The Pointe Group

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### Confidential Information Memorandum

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March 2004



Casas, Benjamin & White, LLC

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## The Pointe Group, Shareholders and Affiliates

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This Confidential Information Memorandum (the "Memorandum") is being furnished to a limited number of parties in connection with the potential sale of select assets of The Pointe Group, its shareholders and affiliates ("TPG") through Casas, Benjamin & White, LLC ("CBW"). This Memorandum has been prepared by the management of the TPG and CBW solely to assist the recipient in deciding whether to proceed with further analysis of the Transaction.

Use of this Memorandum and the information contained herein is governed by the terms of the previously executed Confidentiality Agreement, which strictly limits the circulation and copying of information embodied herein. Any person in possession of this Memorandum should familiarize himself or herself with such agreement before reading, circulating or using this Memorandum. This Memorandum may not be distributed, reproduced or used without the express written consent of TPG, for any purpose other than the evaluation of the potential Transaction by the person to whom this Memorandum has been delivered.

CBW will arrange all contacts for appropriate due diligence by potential purchaser. All inquiries or requests for additional information should be submitted or directed to CBW.

While the information contained herein is believed to be accurate and reliable, neither TPG nor CBW makes any representation or warranty (express or implied) as to the accuracy or completeness of such information. Only those representations and warranties contained in the definitive purchase agreement shall have any legal effect. In no event will TPG, its management, or CBW make any representations or warranties regarding this Memorandum, or the projections herein, in any such definitive agreement. In furnishing this Memorandum, TPG reserves the right to amend and replace the Memorandum at any time and undertakes no obligation to provide the recipient with access to additional information. Nothing contained in this Memorandum is, or should be relied upon as, a promise or representation as to the future. The pro forma and estimated financial information contained herein were prepared expressly for use herein and are based on certain assumptions and management's analysis of information available at the time this Memorandum was prepared. Neither CBW, nor its Members, officers, associates or employees have audited the information contained herein and no warranty is provided as to the accuracy and completeness of this information. This Memorandum does not and, if hereafter supplemented, will not contain all of the information that may be required to evaluate the Transaction. Prospective purchasers are responsible for conducting their own investigation and analysis of the business, data and property described herein in making an investment decision regarding the Transaction.

**ALL COMMUNICATIONS AND INQUIRIES RELATED TO THIS MEMORANDUM  
SHOULD BE DIRECTED TO CBW SOLELY. UNDER NO CIRCUMSTANCES SHOULD  
THE COMPANY BE CONTACTED DIRECTLY.**

**CBW**

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Book # \_\_\_\_\_

**RECIPIENTS OF THIS MEMORANDUM WHO DO NOT WISH TO PURSUE THIS  
MATTER OR WHO ARE REQUESTED BY TPG OR CBW MUST RETURN  
THIS MEMORANDUM IMMEDIATELY TO:**

Matt Ryan  
Senior Associate  
Casas, Benjamin & White, LLC  
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**CBW**

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## I. EXECUTIVE SUMMARY

### Introduction

The Pointe Group, its shareholders and affiliates ("TPG") operate as a management company of five private nursing homes and two assisted living facilities located throughout the Boston and Cape Cod areas. TPG was founded in 1990 by William Fried and Mark Tobin to capitalize on a market opportunity in the Eastern Massachusetts region providing superior elder care with high quality facilities. Mr. Tobin currently serves as the administrator of Hammond Pointe, one of TPG's facilities, and has over 30 years of administration experience in the senior housing market. At present, TPG has management contracts to operate five of these rehabilitation facilities while the other two TPG-owned assisted living facilities are managed by a third party management company. The seven facilities owned by the shareholders of TPG are the following:

Property Name	Location	Primary Market	Facility Type	Property Included/ Excluded <sup>(a)</sup>
<b>Included Assets:</b>				
<b>Hammond Pointe</b>	Chestnut Hill, MA	Greater Northwest Boston	Nursing home	<b>Included</b>
<b>Boylston Place</b>	Chestnut Hill, MA	Greater Northwest Boston	Assisted living	<b>Included</b>
<b>Cranberry Pointe</b>	Harwich, MA	Cape Cod area	Nursing home	<b>Included</b>
<b>Excluded Assets:</b>				
Bay Pointe	Brockton, MA	South Central Massachusetts	Nursing home	Excluded
East Pointe	Chelsea, MA	Northside Boston	Nursing home	Excluded
South Pointe	Fall River, MA	South Coastal	Nursing home	Excluded
Heights Crossing	Brockton, MA	South Central Massachusetts	Assisted living	Excluded

Note:

<sup>(a)</sup> The contemplated transaction only includes the three facilities noted in bold. TPG shareholders will remain owners of the other facilities.

This contemplated transaction includes the sale of three of these facilities (noted in bold above). The Company seeks to sell these three facilities currently financed with its existing commercial lender. The four facilities not contemplated in this transaction were refinanced through a governmental agency. More specifically, the three facilities included in this transaction are: Hammond Pointe, a 135-bed skilled nursing facility; Boylston Place, a 46-bed assisted living facility; and Cranberry Pointe, a 135-bed skilled nursing facility (herein where referred to on a combined basis as "Combined Operations"). Hammond Pointe and Boylston Place (herein referred to as "Chestnut Hill"), both located in Chestnut Hill, Massachusetts, were constructed by TPG between 1999 and 2000 and opened in November 2000. The Cranberry Pointe facility, located in Harwich, Massachusetts near Cape Cod, was constructed by TPG and opened in 1990. A structured transaction could include any one or all three facilities with or without TPG management contracts.

## Industry

The nursing home and assisted living facility sectors are highly fragmented and forecasted to continue to grow at rates in excess of the general economic growth in the US. The growth is driven primarily by (i) the increasing number of people over age 65 (the primary users of senior care housing), (ii) the continued growth in overall health care spending, and (iii) the practice of moving patients still in need of care out of the higher cost, higher acuity settings (e.g., hospitals) into lower cost environments.

In addition, the nursing home sector benefited from a 6% increase (approximately \$16 per patient day) in Medicare reimbursement rates in October 2003. Additionally, the sector within the State of Massachusetts benefited from an increase in Medicaid reimbursement rates in September 2003.

## Facilities

The Combined Operations consist of two nursing homes, Hammond Pointe and Cranberry Pointe, and one assisted living center, Boylston Place. All facilities are owned by the TPG shareholders. Hammond Pointe and Boylston Place were opened in late 2000 and are widely considered to be state-of-the-art facilities. Boylston is considered by many to be the only "5-Star" assisted living center in the area.

LOCATION HIGHLIGHTS			
Location Name	Hammond Pointe	Boylston Place	Cranberry Pointe
Type	Nursing Home	Assisted Living	Nursing Home
Address	615 Heath Street Chestnut Hill, MA 02467	615 Heath Street Chestnut Hill, MA 02467	111 Headwaters Drive Harwich, MA 02645
Opening Date	November 2000	November 2000	August 1990
Date of Certification <sup>(a)</sup>	12/19/00	12/19/00	10/11/90
P&L METRICS			
FY2003 Revenue <sup>(b)</sup>	\$ 9,859	\$ 3,277	\$ 8,774
Year-over-Year % Growth	15.1%	50.8%	-8.4%
EBITDAR <sup>(c)</sup>	\$ 950	\$ 752	\$ 394
EBITDAR %	9.6%	23.0%	4.5%
EBITDARM <sup>(d)</sup>	\$ 1,349	\$ 916	\$ 745
EBITDARM %	13.7%	28.0%	8.5%
OCCUPANCY METRICS			
Number of Beds	135	46	135
Occupancy % (as of Jan '04)	87.0%	97.8%	85.0%
SQ. FOOTAGE METRICS			
Total Square Feet <sup>(e)</sup>	54,323	55,106	63,180
Revenue/Sq. Ft	\$ 181.49	\$ 59.47	\$ 138.88

### Notes:

<sup>(a)</sup> Obtained from Medicare.gov

<sup>(b)</sup> Unaudited results for FY2003.

<sup>(c)</sup> Earnings before interest, taxes, depreciation, amortization and rent.

<sup>(d)</sup> Earnings before interest, taxes, depreciation, amortization, rent and management fees.

<sup>(e)</sup> The Hammond/Boylston facility has a 79-car underground parking garage with 21,061 sq. ft. Cranberry has a 70-car parking lot surrounding the facility.

### Selected Financial Information

The tables below summarize the historical and projected operating performance of the three facilities on both a combined and separate basis. The FY2002 financial data comes from each location's audited financial statements<sup>1</sup>. The FY2003 results are internally generated. Landa & Altsher is in the process of auditing FY2003 financial statements. TPG's fiscal year end is December 31.

2004 revenue for the Combined Operations is expected to increase to \$23.8 million, which represents slightly more than 8.7% growth from FY2003. EBITDARM for the Combined Operations in FY2004 is expected to increase to \$4.1 million from \$3.0 million. Management expects this to be achieved through (i) continued occupancy improvements through the realization of current occupancy trends (ii) enhanced reimbursement rates (recently enacted Medicare and Medicaid rate increases and planned private payor rate increases) and (iii) a stable cost structure continued occupancy improvements, (ii) enhanced reimbursement rates (recently enacted Medicare and Medicaid rate increases) and (iii) a stable cost structure.

Revenue and EBITDARM for the Combined Operations over the period FY2003 through FY2008 are expected to grow at an annual compound rate of 4.2% and 12.2%, respectively.

(\$ in Thousands)

		<b>Combined Income Statement</b>					
		Actual	Forecast	Forecast	Forecast	Forecast	Forecast
FY December 31:		FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Net Revenue	\$	21,910	\$ 23,825	\$ 25,177	\$ 26,290	\$ 27,311	\$ 28,361
Net Revenue Growth %		7.8%	8.7%	5.7%	4.4%	3.9%	3.8%
EBITDARM <sup>(a)</sup>		3,010	4,132	4,857	5,396	5,895	6,220
EBITDARM %		13.7%	17.3%	19.3%	20.5%	21.6%	21.9%
EBITDAR <sup>(b)</sup>	\$	2,097	\$ 3,141	\$ 3,810	\$ 4,302	\$ 4,759	\$ 5,040
EBITDAR %		9.6%	13.2%	15.1%	16.4%	17.4%	17.8%

Notes:

<sup>(a)</sup> Earnings before interest, taxes, depreciation, amortization, rent and management fees.

<sup>(b)</sup> Earnings before interest, taxes, depreciation, amortization and rent.

The contributing performance of each facility is highlighted on the following pages.

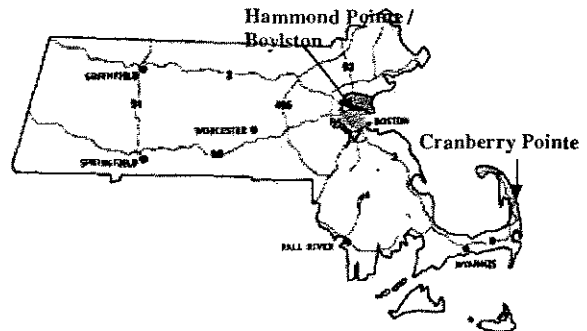
<sup>1</sup> Audit performed by Landa & Altsher, P.C.



### III. COMPANY OVERVIEW

#### History and Background

The Pointe Group, its shareholders and affiliates operate as a management company of five private nursing homes and two assisted living facilities located throughout the Boston and Cape Cod areas. These seven facilities are owned by the shareholders of TPG. TPG was founded in 1990 by William Fried and Mark Tobin to capitalize on a market opportunity in the Eastern Massachusetts region providing superior elder care with high quality facilities. Mark Tobin is the current administrator at Hammond Pointe. At present, TPG has management contracts to operate five rehabilitation facilities while the two skilled care facilities are managed by a third party management company.



Property Name	Location	Primary Market	Facility Type	Property Included/ Excluded <sup>(a)</sup>
Hammond Pointe	Chestnut Hill, MA	Greater Northwest Boston	Nursing home	Included
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The Combined Operations provide a range of health care services, including skilled nursing care, assisted living, subacute medical and rehabilitation care, rehabilitation therapy, and management services for subacute care and rehabilitation therapy.

TPG management team consists of (i) Gerry Fried, a business professional with intimate knowledge of the Boston real estate market and the Massachusetts nursing home industry, (ii) Barry Fried, a member of TPG management with 10 years experience operating nursing homes who focuses on the overall operating strategy of TPG facilities, (iii) Mark Tobin, the current administrator of the Hammond Pointe facility (see detailed management biographies in Section V) who also provides operation leadership to the other TPG facilities, (iv) Joseph Veno, the Director of Operations with over 10 years of industry experience who manages the local administrators on a daily basis, and (v) Frank Barker, a finance professional with over 25+ years of industry experience who is responsible for the financial management and reporting for the five nursing facilities and cash management for all seven TPG facilities.

### Facilities

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<sup>(e)</sup> The Hammond/Boylston facility has a 79-car underground parking garage with 21,061 sq. ft. Cranberry has a 70-car parking lot surrounding the facility.

#### IV. TPG CORPORATE SERVICES

The Pointe Group manages the nursing homes owned by its shareholders while Commonwealth Communities Management LLC ("Commonwealth"), a third party, manages the Boylston Place facilities. TPG is headquartered at the joint Hammond Pointe/Boylston Place facility. TPG and Commonwealth are responsible for providing the following services to the respective entities:

- a. Corporate strategic advice
- b. Preparation of the annual operating budgets
- c. Preparation of the monthly financial statements
- d. Daily cash management.
- e. Negotiation of all contracts including health insurance, service and supply contracts
- f. Oversight of the 401(k)
- g. Coordination of marketing activities
- h. Preparation of Medicare and Medicaid cost reports

The facility administrators at Hammond Pointe and Cranberry Pointe are employed by the facility (not included in the management fees) and are responsible for monitoring the day-to-day operations. Furthermore, the billing, collection, and accounts payable management activities are performed by the facility employees.

TPG's management agreements for Cranberry Point and Hammond Pointe have initial terms of 10 years and renew automatically for successive periods of three years unless either party gives written notice. Cranberry's current term expires December 2006, while Hammond Pointe's initial term expires November 2010. The contract between Boylston Place and Commonwealth expires in March 2005. The management contract excludes the cost of the administrator which included in Boylston Place's operating costs.